



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 9/27/2005

GAIN Report Number: AS5028

Australia

Poultry and Products

Annual

2005

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Report Highlights:

Total poultry meat production is forecast to reach a record 830 TMT in 2005/06, up 5 percent on the revised estimate of 792 TMT for 2004/05. Greatly improved feed grain availability, combined with strong consumer demand, is driving the expected production increase.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Canberra [AS1]
[AS]

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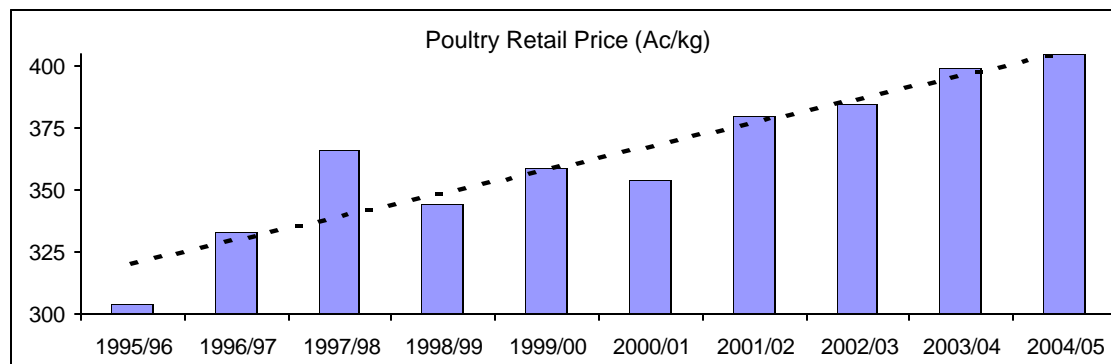
SECTION ONE: SITUATION AND OUTLOOK

General

Australian poultry meat production remains dominated by a handful of large, vertically integrated players. Despite being Australia's second largest meat industry (by volume), the poultry meat industry remains domestically focused. Exports account for only about three percent of domestic production and quarantine regulations largely prohibit the importation of fresh chicken meat.

The two main drivers for poultry meat production in Australia are consumer demand and the availability of feed grain. Persistent drought conditions over the past four years significantly reduced domestic feed grain production while stringent quarantine conditions constrained access to imported feed grain.

A recent return to normal weather conditions is likely to improve supplies of feed grain over the short to medium term. Furthermore, the continued trend towards higher white meat consumption is also likely to see demand for poultry meat improve and is expected to see retail prices received for poultry meat remain strong.



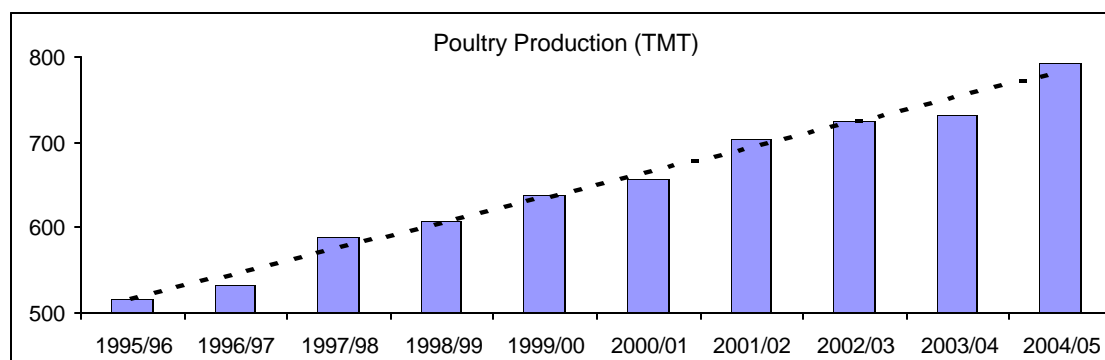
Source: ABARE data (July-June)

Production

Total poultry meat production for 2005/06 is forecast at 830,000 MT, up nearly five percent from the previous year's revised level. Improved grain supplies combined with continued strong domestic demand are expected to push production to record levels.

Production for 2004/05 has been revised upwards significantly to 792,000 MT, eight percent above the previous year and in line with revised Australian Bureau of Agricultural and Resource Economics (ABARE) estimates. Improved feed grain supply, particularly summer crop production, allowed total poultry meat production to exceed earlier expectations.

Total poultry meat production in 2002/03 has also been revised upwards to 732,000 MT, in line with the most recent Australian Bureau of Statistics (ABS) data.



Source: ABARE Data (July-June)

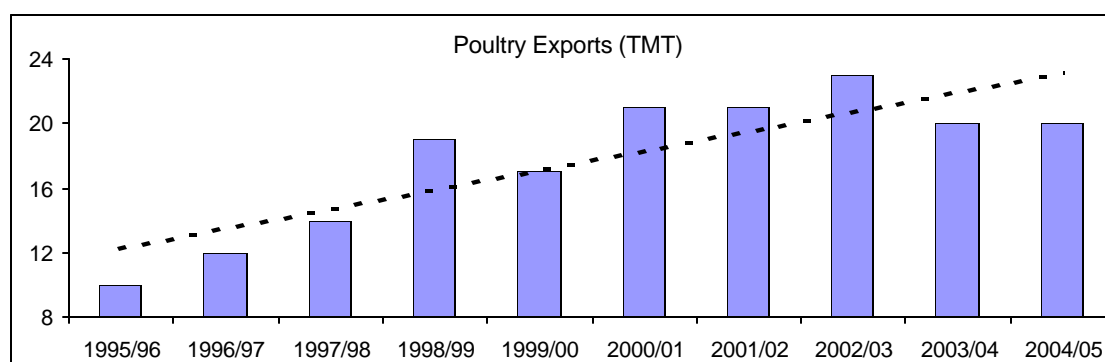
Total broiler meat production in 2005/06 is forecast at 739,000 MT, up nearly five percent from the revised estimate for the previous year. Official figures are unavailable for broiler meat production. Post estimates that broiler meat production accounts for around 89 percent of total poultry meat production. Post uses a conversion factor of 0.89 to derive broiler meat from total poultry meat production.

Broiler meat production for 2004/05 has been revised upwards to 705,000 MT. Earlier expectations of a partial liquidation in the layer hen flock (Report # AS4025) did not occur and Post has reverted to using the conversion factor of 0.89 for 2004/05.

Exports

Total poultry meat exports for 2005/06 are forecast at 21,000 MT. Post has revised exports for 2004/05 downwards to 20,000 MT, in line with ABARE data.

Australia exports only small amounts of poultry meat, with the industry largely remaining domestically focused. In 2004/05, South Africa was Australia's largest export market, taking around 28 percent of total poultry meat exports. Hong Kong is the second largest export market, with 23 percent of total exports. According to official ABS statistics, 19 of Australia's poultry export markets were islands located in oceans adjacent to the Australian mainland.



Source: ABARE Data (July-June)

Imports

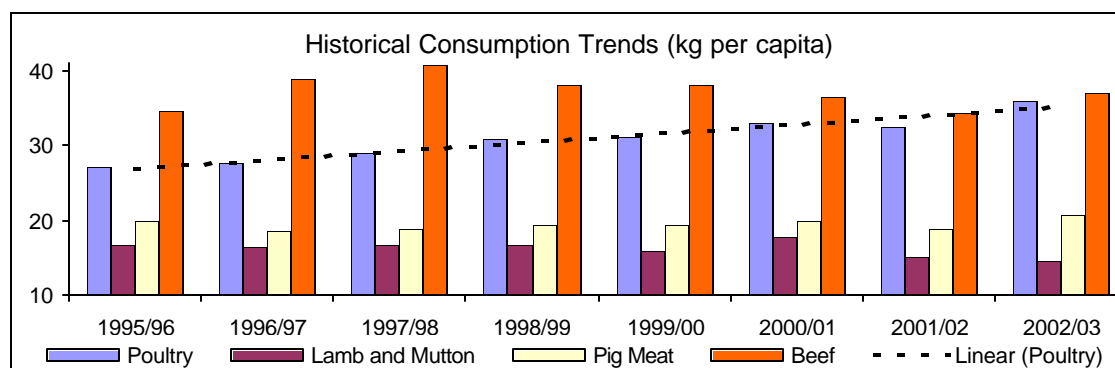
Australian quarantine regulations prohibit the importation of fresh chicken meat, primarily given concerns about infectious bursal disease (IBD). Importation of cooked chicken meat is permitted under very strict conditions. As a result of these quarantine conditions, poultry imports are virtually zero.

Australia has been working on a generic Import Risk Analysis (IRA) for uncooked chicken meat since 1997. Post continues to anticipate the release of the draft IRA in the not-too-distant future. The United States, Thailand and the European Union would be among the potential suppliers of fresh poultry to Australia.

Domestic Consumption

Domestic poultry meat consumption for 2005/06 is forecast at 809,000 MT, up five percent from the revised estimate for the previous year and in line with the forecast increase in production. Poultry meat consumption has benefited greatly over the past decade from the general trend toward white meat consumption.

Official up-to-date ABS consumption figures are unavailable. Post figures are derived from production and export data. Historical ABARE figures indicate poultry consumption has increased steadily over the past decade.



Source: ABARE Data (July-June)

SECTION TWO: STATISTICAL TABLES

PSD Table Poultry, Meat, Broiler							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		07/2003		07/2004		07/2005	MM/YYYY
Inventory (Reference)	0	0	0	0	0	0	(MIL HEAD)
Slaughter (Reference)	0	0	0	0	0	0	(MIL HEAD)
Beginning Stocks	28	28	30	30	31	31	(1000 MT)
Production	650	651	682	705	0	739	(1000 MT)
Whole, Imports	0	0	0	0	0	0	(1000 MT)
Parts, Imports	0	0	0	0	0	0	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	0	0	0	0	0	0	(1000 MT)
TOTAL Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	678	679	712	735	31	770	(1000 MT)
Whole, Exports	16	18	15	18	0	19	(1000 MT)
Parts, Exports	0	0	0	0	0	0	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Exports	16	18	15	18	0	19	(1000 MT)
Human Consumption	632	631	666	686	0	720	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	632	631	666	686	0	720	(1000 MT)
TOTAL Use	648	649	681	704	0	739	(1000 MT)
Ending Stocks	30	30	31	31	0	31	(1000 MT)
TOTAL DISTRIBUTION	678	679	712	735	0	770	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)

Export Trade Matrix Poultry, Meat, Broiler			
Time Period	Yr End Jun	Units:	MT
Exports for:	2004		2005
U.S.	0	U.S.	16
Others		Others	
Hong Kong	4081	South Africa	4360
South Africa	3725	Hong Kong	3650
Philippines	1106	Philippines	1693
Sri Lanka	1048	Kiribati	994
Kiribati	879	Sri Lanka	831
China	802	Vanuatu	804
Vanuatu	664	Vietnam	547
Cook Islands	444	China	390
Tonga	432	Korea South	351
Vietnam	286	Tonga	256
Total for Others	13467		13876
Others not Listed	2026		1653
Grand Total	15493		15545

PSD Table Poultry, Meat, Total							
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		07/2003		07/2004		07/2005	MM/YYYY
Inventory (Reference)	0	0	0	0	0	0	(MIL HEAD)
Slaughter (Reference)	0	0	0	0	0	0	(MIL HEAD)
Beginning Stocks	0	30	0	34	0	36	(1000 MT)
Production	0	732	0	792	0	830	(1000 MT)
Whole, Imports	0	0	0	0	0	0	(1000 MT)
Parts, Imports	0	0	0	0	0	0	(1000 MT)
Intra EC Imports	0	0	0	0	0	0	(1000 MT)
Other Imports	0	0	0	0	0	0	(1000 MT)
TOTAL Imports	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	0	762	0	826	0	866	(1000 MT)
Whole, Exports	0	20	0	20	0	21	(1000 MT)
Parts, Exports	0	0	0	0	0	0	(1000 MT)
Intra EC Exports	0	0	0	0	0	0	(1000 MT)
Other Exports	0	0	0	0	0	0	(1000 MT)
TOTAL Exports	0	20	0	20	0	21	(1000 MT)
Human Consumption	0	708	0	770	0	809	(1000 MT)
Other Use, Losses	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	0	708	0	770	0	809	(1000 MT)
TOTAL Use	0	728	0	790	0	830	(1000 MT)
Ending Stocks	0	34	0	36	0	36	(1000 MT)
TOTAL DISTRIBUTION	0	762	0	826	0	866	(1000 MT)
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0	(1000 MT)

Export Trade Matrix Poultry, Meat, Total			
Time Period	Yr End Jun	Units:	MT
Exports for:	2004		2005
U.S.	0	U.S.	16
Others		Others	
South Africa	6625	South Africa	6792
Hong Kong	4548	Hong Kong	4554
Sri Lanka	1399	Philippines	2015
Philippines	1106	Kiribati	1112
Kiribati	983	Sri Lanka	997
China	802	Vanuatu	804
Vanuatu	664	Vietnam	618
Vietnam	574	China	390
Tonga	526	Korea South	365
Cook Islands	444	Tonga	295
Total for Others	17671		17942
Others not Listed	2170		1817
Grand Total	19841		19775